



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

DIVISION OF INSURANCE

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NONNIE S. BURNES
COMMISSIONER OF INSURANCE

March 19, 2009

Mr. Glenn Kaplan
Chief, Insurance and Financial
Services Division
Office of the Attorney General
One Ashburton Place
Boston, Massachusetts 02108

**Re: Request for a Hearing on Occidental Fire & Casualty of North Carolina's
Private Passenger Motor Vehicle Rate Riling – Docket No. R2009-01**

Dear Mr. Kaplan:

I am in receipt of Attorney General Coakley's request for a hearing on the private passenger motor vehicle insurance rate filing of Occidental Fire and Casualty of North Carolina ("Occidental") dated March 5, 2009. The Attorney General requests such a hearing pursuant to c. 175E, section 7.

I enclose our Notice of Hearing with regard to this matter. I will initiate this hearing by conducting a pre-hearing conference on March 31, 2009, at the offices of the Division of Insurance ("Division"). It is my hope that the parties will be prepared to identify any necessary discovery at such time so that we can conduct a hearing on April 30, 2009, if necessary.

The Notice of Hearing specifically identifies the three issues that will be subject of this hearing. Other issues identified in your letter of March 5th, will not be addressed at this hearing as they fall outside of the scope of these regulatory proceedings. For example, you state that Occidental's filed policies "violate Massachusetts state law" and identify three statutes in support of your allegation (G.L. c. 175, secs. 113O, 113A and 186). As you know, the scope of hearings initiated under c. 175E only cover alleged violations of G.L. c. 175E, G.L. c. 175A and 211 CMR 79.00, et seq. *See G.L. c. 175E and 211 CMR 79.11(5)*. These additional alleged violations fall outside the scope of these laws.

Your letter additionally alleges that "Occidental's use of length of residency as a rating factor discriminates against recent immigrants to Massachusetts from other states and countries."

Regardless of whether your allegation is true and whether you could support it with facts, "length of residency" in Massachusetts is not a prohibited rating factor. This issue also will not be heard.

Finally, your last two allegations, Paragraphs 4 and 5, that discuss payment plans and collection of installment fees and an alleged presumption that all accidents are at-fault accidents fail to articulate specific violations of G.L. c. 175E, G.L. c. 175A and 211 CMR 79.00, et seq. Therefore, they, too, will not be addressed at this hearing as they fall outside the scope of these proceedings.

Very truly yours,

A handwritten signature in black ink, appearing to read "Nonnie S. Burnes", written in a cursive style.

Nonnie S. Burnes
Commissioner of Insurance

cc: Min Zhong, State Filing Analyst
Occidental Fire and Casualty Company of North Carolina